

CURBING THE 'MONEY TRUST'

Mr. Untermeyer's Sure There is One
and Tells How to Check It.

Samuel Untermeyer answered the question, "is There a Money Trust?" at the Finance Forum of the West Side Y. M. C. A. last night with an emphatic "Yes." The financial destinies of the country, he said, were controlled by groups of Wall Street men whose power was increasing.

"The few big fish in the puddle," said Mr. Untermeyer, "have an understanding by which the business that belongs to each of them is 'labeled,' so to speak, and the others take precious good care to leave these customers to those to whom they have been allotted. This arrangement is lived up to regardless of the jealousies or enemies of the high contracting parties. It is the unwritten law of the 'community of interest' code. It is seldom broken. Whenever that happens the entire system gets out of joint until scores are settled and interests re-adjusted.

"There has been greater concentration of the money power in the past five or ten years through the control acquired by these few men over corporate funds that are deposited under their direction in our financial institutions than in the entire preceding fifty years. The process of absorption is likely to continue until a few groups absolutely dominate the entire financial situation of the country unless a way can be found to check their march of progress."

Mr. Untermeyer suggested several ways to curb the "Money Trust," among them these:

- Limit the class of securities other than commercial paper that banks may purchase.

- Prohibit them from becoming syndicate underwriters as life insurance companies were disqualified from such participations by the act of 1906.

- Limit the proportion of capital and surplus that may be lent to bankers and brokers on Stock Exchange securities, so that ample funds always will be available for commercial credits instead of being at times diverted to speculative Wall Street purposes to the injury of legitimate business.

- Prohibit every bank from owning or lending on the stock of any other bank or of any trust company.

- Further restrict the investments of our great life insurance companies by State legislation so as to limit them in the purchase of bonds to those that have been continuously paying interest for at least five successive years.

- By all means prevent the enactment of the provision of the pending Aldrich bill which would permit the establishment of branch banks.

- Place the Clearing House Association under the direction of the Controller of the Currency and the Secretary of the Treasury with respect to the National banks, and under that of the State Banking Department with respect to State institutions.

Mr. Untermeyer suggested also that all issues of railway and industrial securities should be supervised by the Government.